

VILLA ESTABLISHES NEW REPUBLIC; RUSHES TROOPS AGAINST CARRANZA
ALLIES LOSE THOUSANDS SMASHING BACK GERMAN FLANKVILLA LEADS
NEW REVOLT
IN MEXICOSplits With Carranza and
Rushes Troops Against
"First Chief"

SEIZES THE RAILROADS

U. S. Forces to Remain in
Vera Cruz Now, It
Is Believed.

Gen. Villa has defied Provisional President Carranza and has set up an independent government in Mexico. Both leaders have thrown armies into the field and there is every indication that a battle will be fought probably at Zacatecas within a very few hours. The split is definite and complete, and marks a new era of revolution in Mexico.

In a statement issued last night from the Carranza representatives in the Mexican embassy headquarters here Villa is shown to have disavowed Gen. Carranza as the first chief of the constitutionalists and Gen. Carranza, in return, has acknowledged the breach.

Villa has announced that he will not participate in the convention of generals and governors scheduled for October in Mexico City, at which a provisional president was to be designated.

Gen. Carranza has suspended railway communication between Torreón and Aguas Calientes and Gen. Villa has seized the northern railways and is rushing thousands of troops southward to meet 10,000 constitutionalists reported to have fortified Zacatecas.

May Hold Vera Cruz.

This sudden turn of affairs again makes uncertain the immediate retirement of the American troops from Vera Cruz and the part which this government will be obliged to play in Mexico. The constitutional convention which Villa desires to attend is the one that has been called by Carranza for the purpose of organizing a provisional government.

Villa now holds all of northern Mexico and in this position has advantages which will count seriously against Carranza if it comes to a report to arms between the two factions. Villa will be able to control the rail communications with the United States. It has been estimated that he has between 30,000 and 40,000 troops, but these figures have been denied by Carranza's supporters, who have estimated that Villa had about 12,000, as compared with between 40,000 and 50,000 controlled by Carranza and his generals.

Carranza's Statement.

The statement given out at the constitutional agency here follows: "Contrary to Villa's denial that he had arrested Gen. Obregon who had gone to Chihuahua on a special invitation from Villa himself, the latest official reports received from Mexico City this afternoon by the constitutionalist agency make clear that he is still being held in the territory controlled by Villa's forces.

"In view of this unjustifiable act on Villa's part Carranza took precautionary measures to protect the railroads giving orders to discontinue temporarily service to the north of Aguas Calientes. Thereupon Villa asked the first chief for an immediate explanation of this act.

"Carranza answered Villa that before he would vouchsafe him an explanation he desired on Villa's part explanation of Villa's conduct in unwarrantably holding Gen. Obregon.

Instead of Villa giving Carranza a satisfactory explanation, he informed him that he had given orders to hold Obregon at Torreón and that the forces under Villa's command would not be represented at the national convention to be held in Mexico City on October 1. In conclusion he said he no longer recognized Carranza as the first chief of the constitutionalists.

Hurts Troops South.

El Paso, Sept. 23.—Gen. Francisco Villa has split with Provisional President Carranza and is in open revolt against the first chief. Confirmation was received by the military commander at Nuevo Laredo tonight in an official telegram from Mexico City announcing that Carranza had

GOLD-HOARDING
BANKS WILL GET
NO CROP FUNDSMcAdoo Says Four in South
Cannot Have Part of
Money Allowed.

PROBE BY COMPTROLLER

Some Make Their Borrowers
Pay 25 Per Cent for
Loans.

MAY PUBLISH LIST OF OTHERS

Thinks Policy Used in Southern States
Unpatriotic and Indefensible
from Every Viewpoint.

Secretary of the Treasury McAdoo issued a statement last night in which he announced that an investigation has disclosed excessive hoarding of money on the part of national banks in various sections with an accompanying increase of interest rates, which have gone far beyond the reasonable limitations of the existing situation.

Treasury officials say that cases have been found where reserves have been hoarded to as high as 75 per cent and that in many instances rates on loans have been raised from 5 to 25 per cent.

Southern Banks Guilty.

The Comptroller of Currency's investigation has been most complete with respect to the banks of the South. It was to the South that the Department of the Treasury loaned the greater part of the crop fund of \$23,000,000, which was offered a short time before the outbreak of the European war.

The Secretary, therefore, has decided, to withhold the second installment of deposits which ordinarily would have been sent to the four Southern reserve cities. He sent a telegram to the banks in these reserve cities announcing his decision with respect to the installment, and further stated that he would withdraw all government deposits from, and refuse issues of emergency currency, to banks charging excessive interest rates and refusing reasonable accommodations to the business men of their communities.

May Publish Daily Lists.

This action can be effective only with respect to the Southern banks. As for other banks which have been guilty of similar conduct, the Secretary made the threat that he would publish a daily list of those whose reports show hoarding of reserves. The Secretary stated that his purpose in so doing would be to focus the public attention on the policy of these national banks.

Furthermore he intends to try to secure from State banking superintendents data respecting the reserve of State banks so he can publish a similar list of them. It is his hope that by influencing public opinion in this way he can compel the banks to a more confident policy respecting reserves and a more liberal one for loans.

Policy Called Unpatriotic.

In his statement he characterized the policy of the anathematized banks as unpatriotic and unnecessary. He said it is indefensible from every point of view. The Secretary's statement caused a great deal of discussion in financial and political circles, and there was a division of opinion as to the wisdom of his action. Some bankers say the gravest danger to be considered as a possible result of his statement is that the public confidence in the financial situation may be impaired.

GERMAN SIEGE GUNS
COULD TAKE GIBRALTARDr. Mason So Quotes Belgian Officer.
Aeroplane Proving Disappointment.

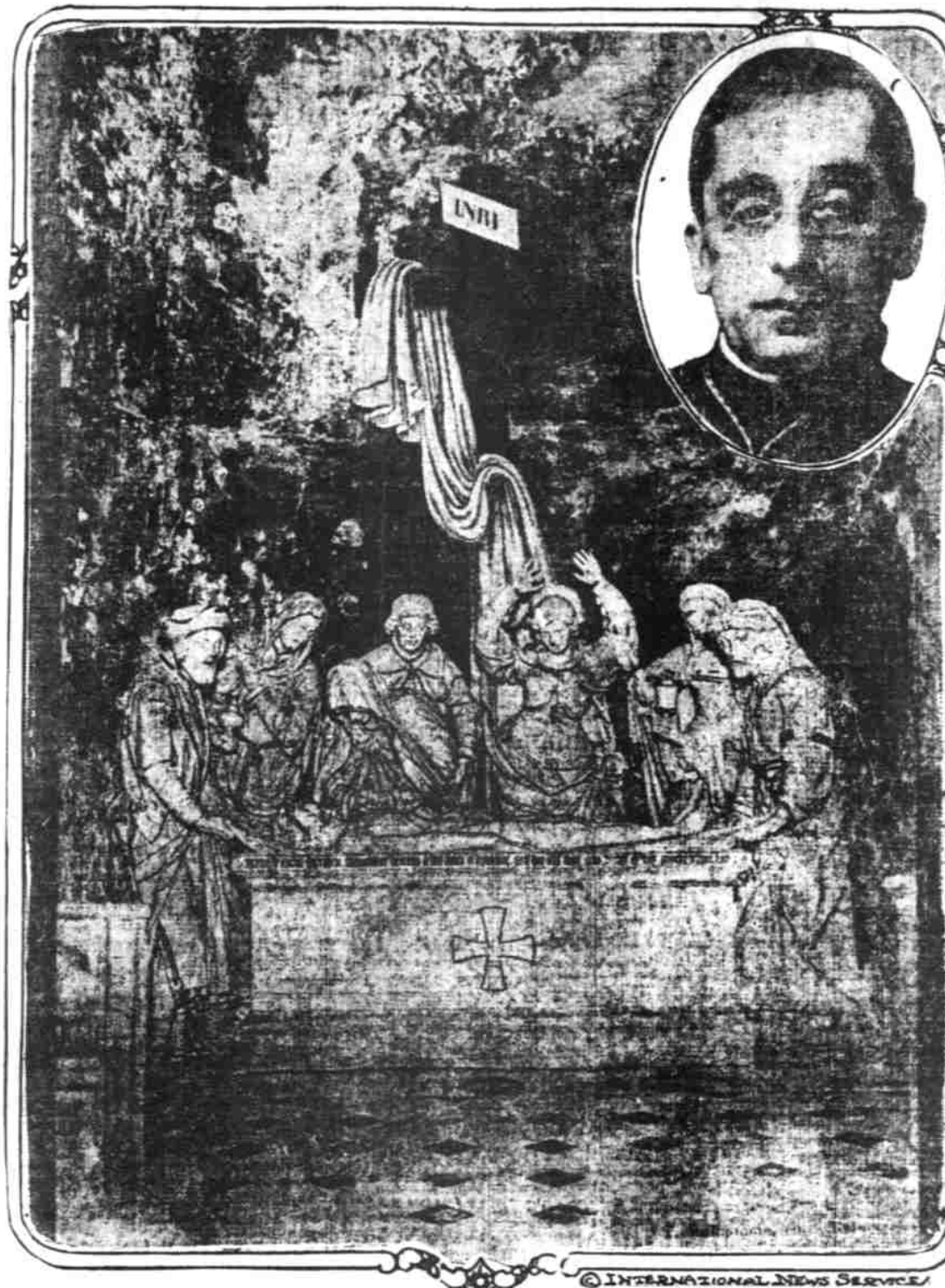
New York, Sept. 23.—"Gibraltar itself could not stand before the mighty siege guns of the German army," said a Belgian army officer to Dr. Frank S. Mason, of New York, who arrived today on the White Star liner Olympic from Liverpool. The Olympic brought 2,065 passengers.

Dr. Mason declared that he had seen many examples of German atrocities and that the Belgian government would shortly send two girls as living examples of German cruelty. Both had been abducted by German soldiers, he said.

"A Belgian army officer told me the Germans threw 300 shells a day into Liege and Namur," said Dr. Mason. "This officer said that even Gibraltar could not stand before the ponderous German guns."

Courtland Field Bishop, former president of the Aero Club of America, said aeroplanes had proved a disappointment in this war.

School Books, 2d Hand and New. Lowdermilk & Co., 1426 F St.—Adv.

TAPESTRY OVER THE TOMB OF ST. REINI—ONE OF THE
FEW ART TREASURES SAVED FROM RHEIMS CATHEDRAL

The insert picture is of Pope Benedict XV, who has sent a message of protest against the destruction of the cathedral to the Kaiser. The crime price for God's vengeance, says the Pope. He warns the Kaiser that the destruction of the Lord's temple will provoke the anger of God, against which the most powerful armies are powerless. A similar dispatch was sent by the Pope to Emperor Francis Joseph of Austria, urging him, as a Catholic monarch, to defend his religion.

RUSSIANS FALL BACK
FROM EAST PRUSSIARetreat North Followed by Kaiser's
Forces—Czar's Troops Take
25,000 Men at Jaroslau.

STILL BOMBARDING PRZEMYSL

Special Cable to The Washington Herald.

Petrograd, Sept. 23.—Official announcement was made today that the German troops who crossed the Russian frontier near Miawa (Russian Poland) on September 20, had retreated northward. The Germans holding the fortified line from Kalisz to Thorn have been heavily repulsed.

With Jaroslau in their hands as a result of a bombardment lasting only two days, the Russian armies expect soon to capture Przemyel. This fortress is the last obstacle to a direct march upon Tarnow and Cracow.

According to a report received at the war office today from Gen. Ruzsky, the capture of Jaroslau was made without heavy loss to the Russians that besieged it, but the Austrian garrisons of the twenty-three forts there suffered terribly. More than 6,000 were killed or wounded. It is said the Russians took more than 25,000 prisoners, large quantities of ammunition and supplies, and sixty-four guns, besides many rapid-firers.

The capture of Jaroslau will be of great help to the Russian armies as it controls the railroad leading from Lvov (Lemberg) to Cracow. This is now held by Gen. Ruzsky's troops as far west as Rzeszow, thirty miles from Jaroslau. The correspondent of the Novos Vrepol. sends a brief but graphic account of the fall of Jaroslau.

"The bombardment began Sunday night and continued for forty-eight hours," he says. "By noon Monday five forts had been smashed and the guns in several others had been put out of commission. All through Monday, that night, and Tuesday the terrific hail of shells, rained upon Jaroslau. Late Tuesday afternoon the Austrian fire slackened and the order to take the forts by storm was given.

"We met with sharp opposition, but the Austrians were unable to withstand the Russian bayonets and the Russian flag soon was hoisted.

\$2.00—To Lury, Va., and Return—\$2.00
\$1.15 a m. Sunday, Sept. 27, Baltimore and Ohio. Returning same day. This is a delightful season to visit the country.

BATTLE OF AISNE IS
STILL ON, SAY BRITISHSome Progress Made Near Lassigny,
but Deadlock Remains Firm
at Other Points.

AUSTRIANS BEATEN AT DANUBE

Special Cable to The Washington Herald.

London, Sept. 23.—The Times, in its war summary this morning, says: "The great battle of the Aisne has as yet reached no decision. On the left wing—and this is the important point—more progress has been made in the neighborhood of Lassigny, on the right bank of the Oise.

"Violent combats have again taken place in this region. Further east the deadlock of the rival armies still holds. An official communique issued in Paris today reveals no change worthy of mention in the center of the front.

"On the right wing of the allies, north-east of Verdun, the enemy has again attempted violent attacks. These again have been repulsed.

"In Lorraine and the Vosges, where rests the extreme right of the allies, the Germans have evacuated two small towns, and showed some activity in the neighborhood of Domèvre. Their reconquest of this place was reported on Tuesday.

"The Russian advance in Austrian territory is said to have been pushed close to the borders of Hungary. This may well be true, but whether it refers to the Russian force which has occupied Bukovina or to the cavalry covering the advance on Przemyel must be uncertain for the present.

"It is officially stated that the Serbian army has again defeated the Austrians and that an attempt by the Austrians to cross the Danube has been repulsed. The Austrians fled in disorder.

"The combined armies of Serbia and Montenegro have invaded the territory of Austria-Hungary and are threatening Sarajevo.

"It is reported from Paris that the Russian cruiser Bayan has sunk a German cruiser and two torpedo boats in the Baltic. The German ships are said to have been engaged in laying mines.

THREE CRUISERS SANK
WITHIN FEW MINUTESWitness Says He Saw but One
German Submarine—Number of
Dead May Be 1,133.

MIDDY ESCAPES THREE DEATHS

Special Cable to The Washington Herald.

London, Sept. 23.—The swift and silent destruction of three big cruisers, which cost \$12,000,000, has brought home to the foremost naval people the risks and possibilities of modern naval warfare. The unseen enemy crept upon the Aboukir, then the Hogue, and then the Cressy, and one after another the cruisers knelt over and settled beneath the water. The whole affair was completed in twenty minutes. The number of dead is believed to be 1,133.

The arrival of a trawler with two officers and thirty-one men, survivors of the disaster, leads to the hope that the toll of victims will prove less than was at first feared. According to the captain of the trawler, the fishing fleet rescued a total of 250 men from the three warships.

The loss of the cruisers, which were vessels of a type not used for several years, is counted as a bagatelle by British naval men. What hurts is the irreparable loss in officers and men who went down in efforts to rescue their comrades in distress. The Aboukir seemed to have been the heaviest sufferer. Apparently only forty-eight men were saved out of a complement of 482.

Capt. Berkhout, of the steamer Titan, told the following story: "The fight took place about seven

Twenty-eight British Men
Of Rank Killed in Battle

London, Sept. 23.—The official press bureau issued an additional list of casualties in the British expeditionary force tonight. The list shows twenty-five officers killed, forty-eight wounded, and two missing.

Among the killed are Lieut. Sir G. G. S. Baillie, of the Royal Scots Greys, Lieut. Col. D. Warren West, of the Surrey regiment, and Maj. A. H. Maitland of the Cameron Highlanders. The latter was the third son of the Earl of Lauderdale.

Three officers are prisoners. One is an aviator.

Far Outnumbered, German
Right Wing Is Hurled Back
Ten Miles By Flank Attack

Von Kluck's Harassed Wing Fast Being Driven Back Upon Center by Joffre's Encircling Movements and Holds Position of Greatest Peril in Angle of the Aisne and Oise Rivers—Teutons Give Up Assaults on Rheims and Fast Are Preparing for Retreat, Paris Claims, Declaring New Base Probably Will Be at Valenciennes.

ALLIES' 2 TO GERMANS' 1 IN REAR ATTACKS;
FRENCH AND BRITISH SUFFER TERRIBLE LOSSES

BULLETIN.

London, Sept. 23.—A Central News dispatch from Paris says that a German cruiser and two torpedo boats have been sunk by a Russian cruiser in the Baltic.

Paris, Sept. 23.—Eleven miles—a mile a day for the eleven days during which the battle has been in progress—have been gained by the allies in their attack on the right wing of the German army under Gen. von Kluck.

Official reports today indicate that from a pitched battle, or series of battles, the engagements along the Aisne and the Oise have become a siege—a battle of hidden guns.

The enemy a few days ago succeeded in entrenching himself in strongly fortified positions on naturally advantageous ground, and the French 3-inch guns have found difficulty in dislodging him.

Late reports from the front now indicate that the Germans have been driven into the rough country, which, again, lends itself peculiarly to defensive intrenchments, and the artillery duel has been resumed with great vigor.

The encircling maneuver designed to turn Gen. von Kluck's line is proceeding with success.

"The situation is without change since the last communique was issued."

This was the war ministry report on the battle of the Aisne, issued tonight. The following official explanation is added:

"The battle on the Aisne has lasted for eight days continuously without decisive result, but there is no reason for astonishment at this if one remembers the Russo-Japanese war.

"The battle of the Marne was an action engaged in open country. It began by a general resumption of the French offensive against the enemy, which was unprepared, and did not have time to properly organize its defensive positions.

Position Is Formidable.

"The situation is entirely different in the battle of the Aisne, in which the adversary, turning, stopped to take up positions which in many locations are rendered formidable merely by the nature of the territory itself, and which they have been continually able to improve.

"This battle on the Aisne, therefore, along a large part of the front, partakes of the character of fortress action, analogous to the operations in Manchuria. It can be added that the exceptional power of the artillery material used and the presence of the heavy German and the 75-millimeter French guns gives a particular value to the temporary fortifications which the two adversaries have established.

"It is necessary, therefore, to conquer the successive lines of trenches and thoroughly destroy all accessory defense works, notably the network of wires, and rout the positions of ambushed machine gunners.

Progress Is Slow.

"With these conditions, progress must necessarily be slow. It happens frequently that the attackers are unable to progress more than 500 meters or a kilometer a day" (from one-third to five-eighths of a mile).

Gen. von Kluck's harassed German right wing has been driven back more than ten miles, despite its efforts to hold back the allies in their encircling maneuvers, which are fast accomplishing Gen. Joffre's plan of turning the western end of the invaders' army back upon the center.

Violent fighting continued all day where the rival armies are in contact north of Noyon, and the enemy is fighting with undiminished gallantry against the ever-present danger of being cut off. Also, there is the growing peril of a stroke from the rear, which unofficial reports declare is being directed from Amiens, where the French are moving southeast toward St. Quentin to cut the railroads which are a part of the line of supply of the Germans through Belgium.

Allies' Losses Heavy.

The allies have gained all along the line, but at terrible cost. The German attempt to pierce the French front near Rheims has been abandoned. The fighting here has resolved itself into artillery action alone, the German fusillade acting as a screen for a general retreat, which is imminent, if, indeed, it has not already begun, as indicated by reports from the front. This retreat is planned to cover the avenues of escape of the German right wing and the army of the crown prince, both of which are in peril.

Gen. Von Kluck is believed to be preparing for a general retreat, which is imminent, if, indeed, it has not already begun, as indicated by reports from the front. This retreat is planned to cover the avenues of escape of the German right wing and the army of the crown prince, both of which are in peril.

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VERDUN TAKEN,
CLAIMS BERLINFrench Battle Spirit Said to
Be Weakening and Center
Giving Way.

RHEIMS DEFENSE POINT

News of Sea Victory Elates People.
Socialist Wins Iron Cross
in Battle.

"French offensive spirit is weakening. French losses are enormous. Their center is retreating. Verdun successfully bombarded, the effect of German mortars show downcast spirit. Col. Rousset comments in the Liberte on the strength and actual position of the German army as quite unique in the history of warfare. The British cruiser Pegasus destroyed the German surveying vessel Moore, but was attacked and sunk subsequently by the German cruiser Koeningberg."

The above was made public at the German Embassy yesterday afternoon.

London, Sept. 23.—The Marconi Company tonight received the following wireless from Berlin:

"The German submarines have not yet reported the North Sea engagement in which three British cruisers were sunk, but unofficial news of it has been received here, occasioning great rejoicing.

"The victory of the submarines will second the sailors to the German naval policy, that of waiting, enforced by the demands of strategy."

Compelled Attack on Rheims.

"The main army headquarters, with regard to the French declaration that the bombardment of Rheims was not a military necessity, reports that the French made the city their main point of defense with strong entrenchments and compelled us to attack the town. The towers and the exterior of the cathedral remained undamaged. Its roof ridge was burned.

"The responsibility lies with the enemy who tried to smash the cathedral, under the protection of the white flag. Verdun has been successfully bombarded."

Amsterdam, Sept. 23.—An official German dispatch states:

"Since the 24th a white flag has been hoisted from the spire of the Rheims Cathedral, and it was respected by our artillery until it was discovered that the French were using the spire for observation purposes. We then were obliged to remove this by field artillery. Heavy guns are not allowed to fire.

Works of Art Still Stand.

Berlin (by wireless via Saville, L. I., Sept. 23)—According to an official statement issued here today, the Russians lost 242,000 men in battles with the Germans near Tannenberg, East Prussia. Of these, it is stated, 150,000 were killed and 92,000 captured.

An official report, made public today, from the German art commission, appointed to investigate the situation in Belgium, states that all of the art works and monumental buildings of Louvain and Liege have been saved, with the exception of the contents of a library building in Louvain.

The sinking of the three British armored cruisers, Aboukir, Hogue, and Cressy, 12,000 tons each, by German submarines is made the big news feature in the morning papers here. The full details are not yet available.

Socialist Gets Iron Cross.

Special dispatches to the newspapers report that Gen. von Hindenburg pursued the Russians (from East Prussia) until they reached the shelter of the guns in the fortress at Kovno. They add that the roads are now impassable quagmires.

The correspondents assert that they personally saw at Wirballen (in Russia) a Russian train of forty or fifty cars bearing the red cross, but loaded with rifles, artillery, and ammunition.

Michael Schwab, the Bavarian Socialist leader, now serving in the landwehr, has been given the Iron Cross for bravery in the field.

Praise "Loyal" American Attitude.

The German press emphasizes the "loyal" American attitude in refusing a loan to France. At the same time the newspapers state that Germany has no necessity for securing loans abroad.

A letter from a Bavarian general staff officer declares that he saw the French systematically fire on ambulances carrying away wounded soldiers from the firing line.

A dispatch from Basel says the Nachrichten reports that soldiers in a captured German ambulance were stoned by a French mob and robbed of their luggage.

PAGE ASKS ITALY TO
LET AMERICANS RETURNGovernment Makes Persons of Italian
Birth Remain There to Serve
in Its Army.

Rome, Sept. 23.—United States Ambassador Thomas Nelson Page is making representations to the Italian government in behalf of naturalized Americans of Italian birth who are detained here against their will.

A number of Italian-Americans who were in Italy when the war began, have been detained here and, if Italy should go to war, they would be forced to serve. Owing to the absence of a naturalization treaty between America and Italy, the latter does not recognize the right of Italians to become citizens of the United States.

Among those detained are several clergymen, Rev. Dominick Cassetta, of New York; Rev. Gustave Danchev, of New Orleans. All have parishes in the United States and have lived there since childhood.

Hotel Woodstock, New York City.
Comfort Without Extravagance.—12v

81 to Frederick and Hagerstown.
\$1.50 a m. Sunday, Sept. 27, Baltimore and Ohio. Returning same day. This is a delightful season to visit the country.